



**UNITED STATES DEPARTMENT OF COMMERCE**  
**National Telecommunications and**  
**Information Administration**  
Washington, D.C. 20230

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October 25, 1999

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Ms. Magalie Roman Salas

Secretary

Federal Communications Commission

445 Twelfth Street, S.W.

Washington, D.C. 20554

**ORIGINAL**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: 1998 Biennial Regulatory Review – Review of Accounts Settlement in the  
Maritime Mobile and Maritime Mobile-Satellite Radio Services and the  
Withdrawal of the Commission as an Accounting Authority in the Maritime  
Mobile and Maritime Mobile-Satellite Radio Services, IB Docket No. 98-96

Dear Ms. Salas:

Enclosed you will find an original and four copies of the letter from William T. Hatch, Acting Associate Administrator, National Telecommunications and Information Administration, regarding the above-referenced proceeding. In addition, the letter was submitted in electronic form on diskettes in WordPerfect 5.1 to John Copes, International Bureau, Telecommunication Division, and delivered to the Commission's copy contractor, International Transcription Service.

Please direct any questions you may have to the undersigned. Thank you for your cooperation.

Respectfully submitted,

Kathy D. Smith

Acting Chief Counsel

Enclosures

cc: John Copes (w/diskette)  
International Transcription Service (w/diskette)

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Ms. Magalie Roman Salas  
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Re: 1998 Biennial Regulatory Review – Review of Accounts Settlement in the Maritime Mobile and Maritime Mobile-Satellite Radio Services and Withdrawal of the Commission as an Accounting Authority in the Maritime Mobile and Maritime Mobile-Satellite Radio Services, IB Docket No. 98-96.

Dear Ms. Salas:

The National Telecommunications and Information Administration (NTIA) provides the following comments to the Further Notice of Proposed Rulemaking (Further Notice) in the above referenced proceeding. These comments have been coordinated with the Interdepartment Radio Advisory Committee (IRAC), which includes the Coast Guard.

In the Further Notice, the Commission specifically sought comments from NTIA and the Coast Guard on how to meet concerns of U.S. Government agencies during the Commission's planned withdrawal as an accounting authority for settling international accounts in the maritime mobile and maritime mobile-satellite services. Additionally, the Commission asked U.S. Government agencies to provide information regarding the costs associated with decentralizing the settlement process for Government users (*See Further Notice at § 36*).

Many users of ship stations and INMARSAT terminals do not understand the need for an accounting authority and the associated procedures, and in many cases, they are not aware that they have an accounting authority. The barring of services through nonpayment of improperly routed, unpaid bills could adversely affect safety of life at sea and disrupt Government operations.<sup>1</sup> We support, therefore, the Commission's proposals to contact current users to advise them of the need to make arrangements with an accounting authority for settling international

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<sup>1</sup> Persons who place an INMARSAT call through a land earth station with which they have no contract depend upon their accounting authority to send them the bill. If two unpaid bills from land earth stations remain undelivered or unpaid, INMARSAT will bar the user from routine and certain forms of emergency service with all its land earth stations.

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accounts (*See Further Notice at § 35,36*). We acknowledge that this may be especially difficult for HF and VHF ship stations and therefore we encourage the Commission to work closely with maritime trade associations and recreational organizations as they have proposed. In addition, contacting Federal INMARSAT users may be difficult because Federal agencies do not always commission INMARSAT terminals centrally and there are no complete, centrally maintained Federal records. We believe that the Commission must notify each INMARSAT user directly, using commissioning information available from the Communications Satellite Corporation (Comsat). The notification should explain the functioning of an accounting authority, the impact on terminal operations resulting from failure to select an accounting authority, the new accounting authority of last resort (if the Commission nominates one), the users' rights and obligations, and the addresses of all authorized accounting authorities. Similarly, the Commission should require any new accounting authority of last resort to notify each affected user of their assignment as accounting authority of last resort and of the payment procedures.

An accounting authority of last resort is necessary to avoid the safety problems outlined above until all INMARSAT users and VHF and HF ship stations make agreements with private accounting authorities. We believe that the Commission should either remain as the accounting authority of last resort or immediately designate a private accounting authority of last resort. The selection of a private accounting authority should be based upon the ability of the accounting authority to handle the number of accounts involved and the costs to the user. The organization selected as an accounting authority of last resort should not charge more than the Commission currently charges its accounts until users are notified and given a chance to select their own accounting authority or accept the terms offered.

As we stated in our August 24, 1998 comments on the Notice of Proposed Rulemaking in this proceeding, most Federal agencies will require at least three years from the time that the Commission renders a decision in this proceeding to establish a contract with a private accounting authority. This is true for a contract to make routine payments or to make irregular payments for inadvertent or emergency use of a foreign shore earth station. If the Commission were to implement the proposed change immediately, some Federal agencies would be unable to establish an accounting authority contract until 2003.<sup>2</sup> However, if the Commission were to establish a contract itself with an accounting authority to process accounts for the Commission as the accounting authority of last resort, a transition period might not be necessary. The Commission could transfer its work to the new accounting authority of last resort at any time and phase out its contractual relationship with the new private accounting authority of last resort as INMARSAT users and VHF and HF ship stations reach agreement with their own accounting authorities.


The Commission must make changes in accounting authority procedures carefully. Depending upon how this phase-out is handled, this action could disrupt Government operations,

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<sup>2</sup> A contract is required, and some time is needed, even if no fee is charged for accounting authority services.

increase costs, and adversely affect the safety of life at sea. We urge the Commission to refrain from taking action until it can be assured that disruption and safety problems will not occur.

Sincerely,

  
for William T. Hatch  
Acting Associate Administrator  
Office of Spectrum Management